



Dear Stewart Partners,

We've finished the first quarter of 2024 and are heading into what is traditionally a busy real estate quarter, particularly in the residential market. We hope you are starting to see this activity. We've included a link to Stewart's Economic Summary recently published, for your review.

In addition, David Piechota, one of our Connecticut underwriters, has provided a brief summary for our Connecticut agents on the key aspects that require review in condominium purchases and also highlights the ALTA 4.1 endorsement, which is regularly requested by lenders in condo transactions. Lastly, as a reminder for our Massachusetts agents, we have released our schedule of 30-minute webinars, where our Massachusetts State Underwriters Talk Title on various topics. Our next Talk Title webinar will take place on May 8th at 11AM. Follow the links below to register.



Stewart's Quarterly Economic Summary

Stewart recently published its second quarterly economic summary. As reported, although there remains uncertainty and continued fears of high interest rates, consumer spending is still high and the economy is strong. To read the full report, follow this link: [Stewart's Quarterly Economic Summary](#).



Connecticut Condominium Purchases for Created Condominium Units By: David Piechota, Esq., Connecticut Underwriting Counsel

When representing buyers purchasing a condominium, and issuing title insurance policies, it is imperative to verify that the condominium unit is part of an approved common interest community. In Connecticut, the statutes that cover condominiums are set forth in Connecticut General Statutes Sec. 47-200 et. seq. or the prior act if established prior to 1984 and the community did not opt into CIOA, which govern the formation, alteration, management, conveyances and all other aspects of common interest communities.

Prior to issuing any policy insuring a newly constructed condominium unit, the attorney must ensure that the declarant filed the required amendment, exercised reserved development rights and special declarant rights, and properly created the subject unit.

Typically, the review will include the amendment and the original declaration, along with all the amendments filed to date. Attention must be focused on the following items in the declaration and/or amendment:

- Confirmation that the original declaration contains a provision that allows for further development rights and that those rights have not expired.
- Confirmation that the original declaration allows for amendments to the declaration and confirmation that the requirements, if any, have been satisfied to validly amend the declaration.
- Confirmation that the declaration or the amendment contain the required survey, plans and certificate of completion for the newly declared unit.

The amendment declaring the unit along with the other required documentation (survey(s) and plans) are required to be recorded prior to the conveyance deed/warranty deed into the buyer(s).

Should you have any questions on the insurability of a condominium unit, whether it is newly created or has been in existence for many years, don't hesitate to reach out to any of our underwriters in Connecticut. We are always happy to help. Contact information for the team can be accessed through this link: [Stewart's Connecticut Team Contact Info](#)



ALTA Endorsement 4.1 (Condominium-Current Assessments) The Basics By: David Piechota, Esq., Connecticut Underwriting Counsel

It is common for lenders to request one of the endorsements in the ALTA 4 series when insuring a condominium. There are two endorsements in this series. The ALTA Endorsement 4 (Condominium - Assessments Priority) and 4.1 (Condominium - Current Assessments). In Connecticut, because the CIOA provides for a 9 month priority of common charges and assessments over all matters other than taxes, when issuing a loan policy with a condo endorsement request, only the ALTA 4.1 may be issued.

In New England, all states except for Maine have some kind of super-priority statute for condominium common charges, and therefore, only the ALTA 4.1 should be issued in Connecticut, Massachusetts, Rhode Island, Vermont and New Hampshire.

In Maine, under the applicable statute, the condominium common charges will not take priority over a first mortgage, and therefore, when a first mortgage is being insured in Maine, the ALTA 4 may be issued in transactions insuring a first mortgage. In the instances of subordinate financing or junior liens on condominiums, the ALTA 4.1 would be the correct choice.

The condo endorsement insures, among other things, against loss or damage sustained by an insured by reason of the failure of the unit to be part of a condominium and the failure of the condominium to comply with the requirements of applicable condominium statutes to the extent that such failure affects title to the unit.

ALTA Endorsement 4 and ALTA Endorsement 4.1 differ with respect to their coverage regarding the priority of the lien of the insured mortgage in relation to the priority of

condominium association's lien for future unpaid charges and assessments. As mentioned above, all New England states, except for Maine have statutes that unequivocally provide for some limited priority for condominium charges, and therefore it is not possible to insure the priority of the mortgage over future charges, and the policy must limit coverage to current assessments, through use of the ALTA 4.1.

To view all the requirements that must be satisfied in order to issue the condominium endorsement, follow this link: [Bulletin: ALTA Endorsement 4.1 Requirements](#)



Stewart's Massachusetts Underwriters Talk Title – 5/8/2023

Join Massachusetts underwriting counsel, Rhonda Duddy, for our third installment of Stewart Underwriters Talk Title. May's topic is on Mechanic Liens. Rhonda will lead a concise 30-minute session covering Massachusetts Mechanic Liens, how they are perfected, and how to address liens from a title insurance perspective.

To Register for this session and any future presentations follow the link below:

[Stewart Underwriters Talk Title Registration](#)



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